

REFERENCE TITLE: **alternative restaurant licenses**

State of Arizona
House of Representatives
Forty-eighth Legislature
Second Regular Session
2008

HB 2484

Introduced by
Representatives Weiers J: Robson

AN ACT

AMENDING SECTION 4-205.02, ARIZONA REVISED STATUTES; RELATING TO LIQUOR LICENSES.

(TEXT OF BILL BEGINS ON NEXT PAGE)

1 Be it enacted by the Legislature of the State of Arizona:
2 Section 1. Section 4-205.02, Arizona Revised Statutes, is amended to
3 read:

4 4-205.02. Restaurant license; issuance; regulatory provisions;
5 alternative restaurant license; definitions

6 A. The director may issue a restaurant license to any restaurant in
7 this state that is regularly open for the serving of food to guests for
8 compensation and that has suitable kitchen facilities connected with the
9 restaurant for keeping, cooking and preparing foods required for ordinary
10 meals.

11 B. The director shall issue the license in the name of the restaurant
12 ~~upon~~ ON application for the license by the owner or lessee of the restaurant,
13 provided the applicant is otherwise qualified to hold a spirituous liquor
14 license. The holder of such license is subject to the penalties prescribed
15 for any violation of the law relating to alcoholic beverages.

16 C. The holder of a restaurant license may sell and serve spirituous
17 liquors solely for consumption on the licensed premises. For the ~~purpose~~
18 PURPOSES of this subsection, "licensed premises" may include rooms, areas or
19 locations in which the restaurant normally sells or serves spirituous liquors
20 pursuant to regular operating procedures and practices and that are
21 contiguous to the restaurant or a noncontiguous patio pursuant to section 4-
22 101, paragraph 26. For the purposes of this subsection, a restaurant
23 licensee must submit proof of tenancy or permission from the landowner or
24 lessor for all property to be included in the licensed premises.

25 D. In addition to other grounds prescribed in this title on which a
26 license may be revoked, the director may require the holder of a restaurant
27 license issued pursuant to this section to surrender the license in any case
28 in which the licensee ceases to operate as a restaurant, as prescribed in
29 subsection A of this section. The surrender of a license pursuant to this
30 subsection does not prevent the director from revoking the license for other
31 grounds prescribed in this title or for making deliberate material
32 misrepresentations to the department regarding the licensee's equipment,
33 service or entertainment items or seating capacity in applying for the
34 restaurant license.

35 E. Neither the director nor the board may initially issue a restaurant
36 license if either finds that there is sufficient evidence that the operation
37 will not satisfy the criteria adopted by the director for issuing a
38 restaurant license described in section 4-209, subsection B, paragraph 12.
39 The director shall issue a restaurant license only if the applicant has
40 submitted a plan for the operation of the restaurant. The plan shall be
41 completed on forms provided by the department and shall include listings of
42 all restaurant equipment and service items, the restaurant seating capacity
43 and other information requested by the department to substantiate that the
44 restaurant will operate in compliance with this section.

1 F. The holder of the license described in section 4-209, subsection B,
2 paragraph 12 who intends to alter the seating capacity or dimensions of a
3 restaurant facility shall notify the department in advance on forms provided
4 by the department.

5 G. PURSUANT TO RULES ADOPTED BY THE DIRECTOR, A PERSON WHO HOLDS A
6 RESTAURANT LICENSE MAY CONVERT THE LICENSE INTO AN ALTERNATIVE RESTAURANT
7 LICENSE. AN ALTERNATIVE RESTAURANT LICENSE ALLOWS THE LICENSEE TO SELL BEER
8 AND WINE EXCLUSIVELY FOR CONSUMPTION ON THE LICENSED PREMISES PRIMARILY BY
9 INDIVIDUAL PORTIONS AND PROHIBITS THE TAKE OUT OF SPIRITUOUS LIQUOR.

10 G. H. For the purposes of this section:

11 1. "Gross revenue" means the revenue derived from all sales of food
12 and spirituous liquor on the licensed premises, regardless of whether the
13 sales of spirituous liquor are made under a restaurant license issued
14 pursuant to this section or under any other license that has been issued for
15 the premises pursuant to this article.

16 2. "Restaurant" means an establishment that derives at least forty per
17 cent of its gross revenue from the sale of food, including sales of food for
18 consumption off the licensed premises if the amount of these sales included
19 in the calculation of gross revenue from the sale of food does not exceed
20 fifteen per cent of all gross revenue of the restaurant.